GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6771
ANSWERED ON:10.05.2002
POWERS TO SEBI
GANGASANDRA SIDDAPPA BASAVARAJ

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are proposing to bring an amendment to a crucial clause in the SEBI (Amendment) Act, on the search and seizure powers of the regulator and the level of penalties to be imposed thereunder;

(b) if so, whether the Department of Company Affairs has opposed the grant of search and seizure powers under that Act; and

(c) if so, the reasons therefor and the reaction of the Government thereto ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): Government has initiated examination of possible legislative changes including grant of search and seizure powers to SEBI with adequate safeguards. These legislative changes are aimed at further strengthening provisions in the Securities and Exchange Board of India (SEBI) Act, 1992 for investor protection and to make SEBI an even more effective body for regulation and development of capital markets.